



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

May 30, 2002

**TO:** Agency Budget Officers

**FROM:** David Ward, Budget Assistant

**SUBJECT: REVIEW OF BEGINNING FUND BALANCES**

The Budget and Accounting Act requires the Governor's budget submittal be balanced in every fund at the end of a biennium. The Office of Financial Management (OFM) reviews projected ending fund balances of dedicated accounts for the subsequent biennium as part of the development process for the Governor's budget. To determine projected ending fund balances, OFM starts with beginning balances for the current biennium. Early agreement on beginning fund balances between OFM and a fund's administering agency allows OFM to complete budget recommendations in a timely manner and allows for an examination of alternatives when balances are insufficient to meet requested expenditure levels.

Attached is a list of beginning budgetary fund balances for Governmental and Proprietary Funds for the 2001-2003 biennium. OFM generated these balances using the OFM Comprehensive Annual Financial Report (CAFR) GAAP ending fund balances from Fiscal Year 2001. In the case of Governmental Funds, all General Ledger (G/L) codes are included in beginning fund balances except those G/L codes used for the budget (3110 - Estimated Revenues; 61XX - Appropriations; 62XX - Allotments; 63XX - Reserves; 91XX - Budgetary Control). In the case of Proprietary Funds, long-term assets and liabilities are removed by excluding the following G/L codes from beginning fund balances thereby converting Proprietary Fund balances into meaningful budgetary balances.

1130	Petty cash
1140	Cash with escrow agents
1150	Cash with fiscal agents
12XX	Investments (except 1205 - Temp/Pooled Cash Investments)
1410	Consumable inventories
1440	Raw materials inventories
1450	Livestock
1510	Prepaid expenses
16XX	Long-term receivables (except 1656-Advances Due from Other Funds)
19XX	Other assets
2XXX	Fixed assets
3110	Approved estimated revenues
32XX	Accrued/Cash/Non-Cash Revenues





5114	Annuities payable, short-term
5118	Benefit claims payable, short-term
5125	Annual leave payable, short-term
5126	Accrued prizes payable, short-term
5127	Sick leave payable, short-term
516X	Short-term portion of bonds payable
5172	Lease payable, short-term
5173	COP payable, short-term
5197	Obligations under securities lending agreements
52XX	Long-term liabilities (except 5256 - Advances Due to Other Funds)
59XX	Other credits
61XX	Appropriations and estimated expenditures
62XX	Allotments
63XX	Reserves
6410	Encumbrances
65XX	Other Expenses
91XX	Budgetary control summary
92XX	Correction/Changes
93XX	Contributed capital and capital investments net of related debt
94XX	Retained Earnings
95XX	Reserves and designations
96XX	Other Reserve Accounts

**NOTE:** - X indicates all GL codes within that number block are excluded.

Please review the attached beginning budgetary fund balances administered by your agency and work with your assigned OFM budget analyst to resolve any differences. If you have concerns with a fund's balance, you must communicate those concerns to your assigned OFM budget analyst no later than June 21, 2002. Agreement on beginning budgetary fund balances between administering agencies and OFM must be reached no later than June 28, 2002. If we do not hear back from you by June 21, 2002, OFM will assume you concur with the fund balance as stated.

Attachment

cc: OFM Budget Analysts